

## Tokyo Stock Exchange Group, Inc. and Consolidated Subsidiaries

### Consolidated financial results for nine months ended December 31, 2011, unaudited

Company name: **Tokyo Stock Exchange Group, Inc.**  
 URL: <http://www.tse.or.jp/english/>  
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 Scheduled date of filing of quarterly report: -  
 Scheduled date of start of dividend payment: -  
 Preparation of 3Q earnings presentation material: None  
 Holding of 3Q earnings announcement: None

#### 1. Consolidated Financial Results for nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011)

(Figures less than a million yen are discarded)

##### (1) Operating results

(Percentages represent year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2011	39,094	(7.2)	5,989	(37.7)	7,527	(33.6)	4,320	(37.4)
Nine months ended December 31, 2010	42,105	(8.5)	9,616	(19.3)	11,339	(20.5)	6,897	-

(Notes)

Comprehensive income:

Nine months ended December 31, 2011: ¥291 million / (96.3%)    Nine months ended December 31, 2010: ¥7,897 million / - %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2011	1,899.98	-
Nine months ended December 31, 2010	3,033.38	-

##### (2) Financial position

	Total assets	Total equity	Equity capital ratio
	million yen	million yen	%
As of December 31, 2011	358,166	122,334	33.4
	*1) 137,786	*2) 104,967	*3) 74.2
As of March 31, 2011	514,405	124,782	23.7
	*1) 145,325	*2) 107,414	*3) 71.9

(Reference)

Shareholders' equity:

As of December 31, 2011: ¥ 119,545 million

As of March 31, 2011: ¥ 121,888 million

(Notes)

1) Figures marked “\*1)” under “Total assets” exclude “Margin funds for derivatives and when-issued transactions”, “Deposits for clearing funds”, “Deposits as collateral for facilitating settlement”, “Legal guarantee funds”, and “Special assets for default compensation reserve funds”.

2) Figures marked “\*2)” under “Total equity” exclude “Default compensation reserve funds”.

## (Reference Translation)

3) Figures marked “\*3)” under “Equity capital ratio” are calculated excluding “Margin funds for derivatives and when-issued transactions”, “Deposits for clearing funds”, “Deposits as collateral for facilitating settlement”, “Legal guarantee funds”, and “Special assets for default compensation reserve funds” from total assets, and excluding “Default compensation reserve funds” from total equity.

\* The same amount is recorded as “Special assets for default compensation reserve funds” under assets and as “Default compensation reserve funds” under equity.

## 2. Dividends

Record date	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2011	-	-	-	1,200	1,200
Year ending March 31, 2012	-	-	-		
Year ending March 31, 2012(Forecast)				-	-

(Note)

Change in dividend forecasts from the most recent announcement: -

## 3. Forecast for the Fiscal Year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(Percentages represent year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
For Year ending March 31, 2012	-	-	-	-	-	-	-	-	-	-

(Note)

Change in performance forecasts from the most recent announcement : -

## 4. Others

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of special accounting methods for quarterly consolidated financial statements: None

(3) Change in accounting policies / changes in accounting estimates / restatement

1) Changes pursuant to revision of accounting policies: None

2) Changes other than the above: None

3) Changes in accounting estimates: Yes

4) Restatement: None

(4) Number of issued shares (common stock)

1) Number of issued (or outstanding) shares at the end of the period (including treasury shares):

As of December 31, 2011: 2,300,000 shares

As of March 31, 2011: 2,300,000 shares

2) Number of treasury shares at the end of period:

As of December 31, 2011: 26,260 shares

As of March 31, 2011: 26,260 shares

3) Average number of shares:

Nine months ended December 31, 2011: 2,273,740 shares

Nine months ended December 31, 2010: 2,273,740 shares

(Reference Translation)

\*Disclosure regarding the execution of the quarterly review process

This release is outside the scope of the external auditor's quarterly review procedure which is required by "Financial Instruments and Exchange Act". Therefore, the quarterly review process has not been completed as of this disclosure in this release.

\*Explanation of appropriate use of forecast and other special items

The Company is not listed. Therefore, the scheduled date for submission of the quarterly report, as well as forecasts of dividend and operating results are not included.

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(Reference Translation)

(Appendix)

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## 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER

## (1) Qualitative Information on Consolidated Operating Results

The consolidated operating results of the TSE group (the Company, consolidated subsidiaries and affiliated companies accounted for using the equity method) during the nine months (from April 1, 2011 to December 31, 2011) were affected by the sluggish market conditions due to circumstances such as the Great East Japan Earthquake and concerns over European debt problems. Under these circumstances, reduced revenue from trading participation fees and listing fees led to operating revenue of ¥39,094 million (7.2% decrease from the same period of last year (i.e., year-on-year)) and operating expenses of ¥33,104 million (1.9% increase year-on-year), resulting in operating profit of ¥5,989 million (37.7% decrease year-on-year).

The TSE group saw ordinary profit of ¥7,527 million (33.6% decrease year-on-year), income before income taxes and minority interest of ¥7,527 million (33.0% decrease year-on-year), and net income of ¥4,320 million (37.4% decrease year-on-year).

## &lt;Reference&gt;

	Nine months ended December 31, 2010		Nine months ended December 31, 2011	
		As of December 31, 2010		As of December 31, 2011
TOPIX	803.12 points ~ 998.90 points	898.80 points	706.08 points ~ 874.34 points	728.61 points
Market capitalization	¥ 276,751.5 billion ~ ¥ 341,611.8 billion	¥ 310,451.6 billion	¥ 247,501.3 billion ~ ¥ 303,530.4 billion	¥ 255,855.3 billion

## (Operating revenue)

## 1) Trading participation fees

Trading participation fees comprise "Basic Fees" based on the types of the trading participant's trading qualification, "Transaction Fees" based on the value of securities traded or volume of derivatives traded, "Access Fees" based on the number of orders, and "Trading System Facilities Usage Fees" based on the types of trading system facilities used.

Trading participation fees for the nine months ended December 31, 2011 declined 6.9%, to ¥14,584 million, due to a decrease in equities trading value.

## Breakdown of trading participation fees

(millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change (%)
Trading participation fees	15,669	14,584	(6.9)
Basic fees	653	637	(2.5)
Transaction fees	12,027	10,812	(10.1)
Access fees	1,888	1,959	3.8
Trading system facilities usage fees	1,083	1,157	6.8
Others	17	17	3.3

## &lt;Reference&gt;

## Equities trading value and derivatives trading volume

	Dairy average			Total		
	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change (%)	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change (%)
Equities trading value (¥ millions)	1,452,766	1,271,799	(12.5)	268,761,620	235,282,864	(12.5)
TOPIX futures trading volume (contracts)	58,751	57,028	(2.9)	10,868,902	10,550,087	(2.9)
JGB futures trading volume (contracts)	33,816	27,769	(17.9)	6,256,010	5,137,286	(17.9)

## (Note)

Trading value of The First and Second Sections and Mothers of Tokyo Stock Exchange.

(Reference Translation)

## 2) Listing fees

Listing fees comprise the "Initial/Additional Listing Fees" that are received based on the issue amount when a company initially lists or when a listed company issues additional shares, and "Annual Listing Fees" received from listed companies based on their market capitalization.

Due to a decrease in the scale and number of listed company fund-raising in comparison to the previous period, listing fees for the nine months ended December 2011 fell 25.4% to ¥5,506 million.

### Breakdown of listing fees

(millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change (%)
Listing fees	7,377	5,506	(25.4)
Initial/Additional listing fees	3,329	1,482	(55.5)
Annual listing fees	4,047	4,024	(0.6)

<Reference>

### Number of listed companies, ETFs, ETNs and REITs

(company)

	New listed companies			Total listed companies		
	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change	As of December 31, 2010	As of December 31, 2011	Change
TSE First and Second Sections	16 *5	26 *8	10 *3	2,111	2,112	1
Mothers	4 *0	10 *0	6 *0	181	178	(3)
Total	20 *5	36 *8	16 *3	2,292	2,290	(2)

(issue)

	New listed issues			Total listed issues		
	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change	As of December 31, 2010	As of December 31, 2011	Change
ETFs	11	5	(6)	97	106	9
ETNs	-	10	10	-	10	10
REITs	1 *0	0 *0	(1) *0	35	34	(1)

(Note)

Figures marked "\*" indicate the number of newly listed companies and newly listed issues, representing companies established and issues newly listed as a result of mergers and stock transfers (technical listings).

### Fund-raising by listed companies

(millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011	Change (%)
Fund-raising by listed companies	3,031,720	919,303	(69.7)

(Note)

Total amount of fund-raising via shareholder allotments, public offerings (including initial public offerings), third-party allotments, preferred stocks, and convertible bonds exercise and stock options.

## 3) Income from information services

Income from information services is comprised of income related to the provision of corporate action information and various other information, primarily consisting of fees for market information provided to

(Reference Translation)

information vendors (market information fees), and also income related to the index business.

During the nine months ended December 31, 2011, income from information services increased 0.9%, to ¥8,347 million year-on-year due to an increase in the amount of market information fees.

4) Income from securities settlement

Income from securities settlement is derived from settlement commissions related to the assumption of financial instrument obligations carried by Japan Securities Clearing Corporation.

During the nine months ended December 31, 2011, income from securities settlement decreased 7.3%, to ¥4,960 million in comparison to the previous period, due to a decrease of trading value of equities.

5) Other operating income

Other operating income consists of "arrownet Usage Fees", "Co-location Usage Fees", "Proximity Usage Fees", and fees for system development and operations provided by TOSHO SYSTEM SERVICE CO., LTD. "arrownet Usage Fees" are those related to use of the network which connect TSE's trading system, market information systems, etc. to trading participants and users. "Co-location Usage Fees" are those for using the service which allows trading participants to place their devices, etc. within the TSE system center for the purpose of accelerating trade execution, etc. "Proximity Usage Fees" are those for using the proximity service which diversifies connectivity to domestic and Asian markets, and can be used by trading participants and market-related parties, such as information vendors.

Other operating profit for the nine months ended December 31, 2011 increased 4.8%, to ¥5,695 million year-on-year due to increased revenue from system development projects by TOSHO SYSTEM SERVICE CO., LTD.

(Operating expenses)

During the nine months ended December 31, 2011, salaries and compensation increased 1.4% compared with the previous period, to ¥8,538 million.

Real estate rental fees are comprised of primarily rental fees for the Tokyo Stock Exchange building and system development and operations facilities. These fees declined 6.9%, to ¥4,004 million due to a change in rental fees for the Tokyo Stock Exchange building.

System maintenance and operation costs consist of maintenance and operation costs for arrowhead and other systems, and these costs declined 10.2%, to ¥4,349 million, resulting from a cost reduction.

Depreciation for the nine months ended December 31, 2011 increased 8.6% to ¥8,547 million due to factors such as the disposal of the previous systems in tandem with the migration of futures trading to the Tdex+ System.

Other operating expenses increased 8.6% to ¥7,664 million due to increased initial cost for system development projects by TOSHO SYSTEM SERVICE CO., LTD.

(2) Qualitative Information on Consolidated Financial Position

(Assets, liabilities and equity)

Clearing deposit money, etc. (margin funds for derivatives and when-issued transactions, deposits for clearing funds, and deposits as collateral for facilitating settlement; totaling ¥202,693 million as of December 31, 2011), legal guarantee funds (¥318 million as of December 31, 2011), deposits received as trading participants guarantee (¥3,537 million as of December 31, 2011), and default compensation reserve funds (¥17,367 million as of December 31, 2011), all of which hedges risks of securities trading based on various rules, are recorded as assets and liabilities. Out of these assets and liabilities, clearing deposit money, etc. are large in amount and fluctuate daily in line with clearing participants' positions and stock price movements, and, as a result, the amounts of TSE group's assets and liabilities are significantly impacted by fluctuations in these clearing funds (refer to "Section 3. Consolidated Balance Sheets: (4) Notes - Consolidated Balance Sheets - \*3. Assets and liabilities for hedging risks of securities trading" for more information regarding these assets and liabilities)

Total assets as of December 31, 2011 fell ¥156,239 million from the end of the previous fiscal year, to

(Reference Translation)

¥358,166 million, as the result of a decrease in clearing deposit money, etc. Additionally, after excluding clearing deposit money, etc., the guarantee funds and default compensation reserve funds, assets fell ¥7,539 million to ¥137,786 million from the end of the previous fiscal year, due to a decrease in the value of invested securities with the fluctuation of the stock price of Singapore Exchange Ltd.

Total liabilities as of December 31, 2011 decreased ¥153,791 million, to ¥235,831 million on a decrease in clearing deposit money, etc. Excluding clearing deposit money, etc., legal guarantee funds, and deposits received as trading participant guarantees, liabilities decreased ¥5,517 million, to ¥29,281 million, due to the decrease in accrued income taxes, recorded as of the end of the previous fiscal year.

Net assets as of December 31, 2011 declined ¥2,447 million from the previous fiscal year to ¥122,334 million due to decline in net unrealized gain of securities with the fluctuation of the stock price of Singapore Exchange Ltd. Additionally, after excluding default compensation reserve funds, total equity was ¥104,967 million.

## 2. OTHER INFORMATION

### (1) Change in Significant Subsidiaries during the Period

None

### (2) Changes in Accounting Policies / Changes in Accounting Estimates / Restatement

Nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011)
(Changes in accounting estimates) The Company made a revision, in 1st quarter of the fiscal year ended March 31, 2012, to the useful life of fixed assets whose period of use was shorter than initially expected due to the decision to launch a new system. Due to this, operating profit, ordinary profit for the nine months ended December 31, 2011 each declined ¥1,727 million. During the nine months ended December 31, 2011, the Company disposed a part of such fixed assets. Due to this Income before taxes and minority interest for the nine months ended December 31, 2011 declined ¥250 million.

### (Additional Information)

Nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011)
The "Accounting Standard for Changes and Error Corrections" (ASBJ Statement No.24; December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24; December 4, 2009) are being applied to the accounting changes and error corrections conducted from the beginning of the fiscal year ended March 31, 2012.

(Reference Translation)

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Consolidated Balance Sheets

	As of March 31, 2011	(millions of yen) As of December 31, 2011
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and bank deposits	* <sup>3</sup> 61,101	* <sup>3</sup> 62,373
Accounts receivable-trade	4,940	5,155
Inventories	253	1,435
Margin funds for derivatives and when-issued transactions	* <sup>3</sup> 246,910	* <sup>3</sup> 108,093
Deposits for clearing funds	* <sup>3</sup> 81,967	* <sup>3</sup> 66,390
Deposits as collateral for facilitating settlement	* <sup>3</sup> 22,510	* <sup>3</sup> 28,210
Other current assets	2,958	2,132
Allowance for doubtful accounts	(12)	(3)
Total current assets	<u>420,629</u>	<u>273,787</u>
FIXED ASSETS:		
Property and equipment	7,998	7,085
Intangible assets	23,373	21,195
Investments and other assets		
Investments in securities	35,505	29,298
Legal guarantee funds	* <sup>3</sup> 325	* <sup>3</sup> 318
Special assets for default compensation reserve funds	* <sup>3</sup> 17,367	* <sup>3</sup> 17,367
Others	9,391	9,308
Allowance for doubtful accounts	(184)	(195)
Total investments and other assets	<u>62,404</u>	<u>56,097</u>
Total fixed assets	<u>93,776</u>	<u>84,378</u>
Total	<u>514,405</u>	<u>358,166</u>

(Reference Translation)

	(millions of yen)	
	As of March 31, 2011	As of December 31, 2011
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable-trade	2,195	2,307
Short-term bank loans	17,570	17,570
Income taxes payable	3,132	1,139
Accrued bonuses	1,014	378
Accrued bonuses for directors	292	26
Margin funds received for derivatives and when-issued transactions	* <sup>3</sup> 246,910	* <sup>3</sup> 108,093
Deposits received for clearing funds	* <sup>3</sup> 81,967	* <sup>3</sup> 66,390
Deposits received as collateral for facilitating settlement	* <sup>3</sup> 22,510	* <sup>3</sup> 28,210
Deposits received as trading participants guarantee	* <sup>3</sup> 3,112	* <sup>3</sup> 3,537
Other current liabilities	1,722	1,889
<b>Total current liabilities</b>	<b>380,427</b>	<b>229,542</b>
<b>NON-CURRENT LIABILITIES:</b>		
Liability for retirement benefits for employees	5,340	5,388
Returnable legal guarantee funds	* <sup>3</sup> 325	* <sup>3</sup> 318
Other	3,529	581
<b>Total non-current liabilities</b>	<b>9,195</b>	<b>6,288</b>
<b>Total liabilities</b>	<b>389,623</b>	<b>235,831</b>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	11,500	11,500
Capital surplus	25,358	25,358
Retained earnings	* <sup>3</sup> 83,621	* <sup>3</sup> 85,213
Treasury stock, at cost	(4,332)	(4,332)
<b>Total shareholders' equity</b>	<b>116,147</b>	<b>117,739</b>
<b>Other accumulated comprehensive income</b>		
Unrealized gain on available-for-sale securities	5,740	1,806
<b>Total accumulated other comprehensive income</b>	<b>5,740</b>	<b>1,806</b>
Minority interests	2,893	2,789
<b>Total equity</b>	<b>124,782</b>	<b>122,334</b>
<b>Total</b>	<b>514,405</b>	<b>358,166</b>

(Reference Translation)

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Operations)

	Nine months ended December 31, 2010	(millions of yen) Nine months ended December 31, 2011
<b>OPERATING REVENUE:</b>		
Trading participation fees	15,669	14,584
Listing fees	7,377	5,506
Income from information services	8,273	8,347
Income from securities settlement	5,349	4,960
Other operating income	5,434	5,695
Total operating revenue	42,105	39,094
<b>OPERATING EXPENSES:</b>		
Salaries and compensation	8,421	8,538
Real estate rental fees	4,300	4,004
System maintenance & operation costs	4,843	4,349
Depreciation	7,867	8,547
Other operating expenses	7,056	7,664
Total operating expenses	32,488	33,104
Operating profit	9,616	5,989
<b>NON-OPERATING REVENUE</b>		
Interest income	108	84
Dividend income	785	744
Equity in earnings of affiliated companies	738	723
Other non-operating revenue	144	42
Total	1,777	1,595
<b>NON-OPERATING EXPENSES</b>		
Interest expense	45	39
Stock issuance cost	6	15
Other non-operating expenses	3	1
Total	55	56
Ordinary Profit	11,339	7,527
<b>EXTRAORDINARY INCOMES</b>		
Gain from prior period adjustment	132	-
Other extraordinary incomes	5	-
Total	137	-
<b>EXTRAORDINARY LOSSES</b>		
Loss on disposal of property and equipment, and intangible assets	214	0
Other extraordinary losses	27	-
Total	241	0
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	11,234	7,527
INCOME TAXES	4,458	3,301
INCOME BEFORE MINORITY INTERESTS	6,776	4,226
MINORITY INTERESTS (LOSS)	(120)	(93)
NET INCOME	6,897	4,320

(Reference Translation)

(Consolidated Statements of Comprehensive Income)

	Nine months ended December 31, 2010	(millions of yen) Nine months ended December 31, 2011
NET INCOME BEFORE MINORITY INTERESTS	6,776	4,226
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain on available-for-sale securities	1,121	(3,934)
Share of other comprehensive income of affiliated companies	(0)	(0)
Total other comprehensive income (loss)	1,121	(3,934)
COMPREHENSIVE INCOME	7,897	291
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:		
Owners of the parent	8,018	385
Minority interests	(120)	(93)

(Reference Translation)

(3) Note on Going-Concern Assumption  
Not applicable

(4) Notes

(Consolidated Balance Sheets)

Fiscal year ended March 31, 2011	Nine months ended December 31, 2011
<p>*1 Liabilities for guarantees</p> <p>Guarantees for housing loans from banks for employees ¥3,308 million</p> <p>Guarantees for loans from banks for ICJ, Inc. ¥36 million</p> <hr/> <p>Total ¥3,344 million</p>	<p>*1 Liabilities for guarantees</p> <p>Guarantees for housing loans from banks for employees ¥3,122million</p> <p>Guarantees for loans from banks for ICJ, Inc. ¥20 million</p> <hr/> <p>Total ¥3,142 million</p>
<p>*2 Litigation</p> <p>Mizuho Securities Co., Ltd. filed a lawsuit with the Tokyo District Court against TSE Group's consolidated subsidiary Tokyo Stock Exchange, Inc., seeking ¥41,578 million in compensation for damages related to Mizuho Securities Co., Ltd.'s erroneous placement of an order for shares of J-COM Co., Ltd. that occurred on December 8, 2005, and on December 4, 2009, the Court ordered Tokyo Stock Exchange, Inc. to pay compensation (¥10,712 million plus delinquency charges). On December 18, 2009, Tokyo Stock Exchange, Inc. made a payment of ¥13,213 million including delinquency charges through that date in order to avoid the compulsory execution under the Court's ruling with a declaration of provisional execution.</p> <p>In response to this ruling, Mizuho Securities Co., Ltd. has filed an appeal with the Tokyo High Court, and Tokyo Stock Exchange, Inc. has filed an incidental appeal, and the case is currently in litigation.</p>	<p>*2 Litigation</p> <p>Same as on the left.</p>

(Reference Translation)

\*3 Assets and liabilities for hedging risks of securities trading TSE Group's consolidated subsidiaries Tokyo Stock Exchange, Inc. and Japan Securities Clearing Corporation (collectively, "Exchange") have established various systems including receiving clearing funds, based on the Financial Instruments and Exchange Act and the Exchanges' internal regulations, to hedge the risks of securities trading in the market. Japan Securities Clearing Corporation, as a clearing organization for financial instrument transactions, underwrites the liabilities and acquires the rights from the clearing participants that arise from the conclusion of a transaction when a securities trade is concluded in the market, and bears the risk of nonperformance of obligation by the clearing participants from the time the transaction is concluded until settlement is complete, and therefore receives clearing funds (margin funds for when-issued transactions, margin funds for derivatives, deposits for clearing funds, and deposits as collateral for facilitating settlement) from the clearing participants based on the Financial Instruments and Exchange Act and other laws and regulations. In addition, Tokyo Stock Exchange, Inc. bears the risk of brokers in securities trades from the nonperformance of obligations by trading participants, and therefore receives legal guarantee funds from the trading participants based on the Financial Instruments and Exchange Act and other laws and regulations. The assets for all of these deposits are cash or substituted securities (limited to those securities approved under internal regulations), which are kept segregated from other assets, with the cash portion shown separately under assets or liabilities for the respective purpose of the deposit. The market value of securities deposited in place of cash as of March 31, 2011, was as follows:

1) Margin funds for when-issued transactions	¥85 million
2) Margin funds for derivatives	¥793,546 million
3) Deposits for clearing funds	¥187,621 million
4) Deposits as collateral for facilitating settlement	¥100,090 million
5) Legal guarantee funds	¥1,386 million

In addition, Tokyo Stock Exchange, Inc. bears the risk of nonperformance of obligations by trading participants, and therefore receives deposits as trading participants guarantee from trading participants based on its internal regulations. The assets for these deposits are cash or substituted securities (limited to those securities approved under internal regulations), with the cash portion recorded as cash and bank deposits under assets, and as deposits received as trading participants guarantee under liabilities. The market value of securities deposited in place of cash as of March 31, 2011 was ¥2,319 million.

Tokyo Stock Exchange, Inc. has also concluded a loss compensation contract with Japan Securities Clearing Corporation with regard to clearing operations for cash transactions, as well as futures and options transactions. Under this contract, Tokyo Stock Exchange, Inc. (including other exchanges in the case of cash transactions) reimburses Japan Securities Clearing Corporation for losses incurred from the nonperformance of obligations by clearing participants that cannot be covered by the clearing participant's deposited

\*3 Assets and liabilities for hedging risks of securities trading TSE Group's consolidated subsidiaries Tokyo Stock Exchange, Inc. and Japan Securities Clearing Corporation (collectively, "Exchange") have established various systems including receiving clearing funds, based on the Financial Instruments and Exchange Act as well as Exchange rules and regulations, to ensure confidence in securities trading in the market. Since clearing participants assume obligations and obtain rights arising from securities transactions, etc., Japan Securities Clearing Corporation, as a clearing organization for financial instrument transactions, bears the risk of non-performance of obligations by clearing participants until settlement is complete, and therefore receives clearing funds from clearing participants based on the Financial Instruments and Exchange Act and other laws and regulations. In addition, Tokyo Stock Exchange, Inc. hedges the risk borne by entrustors in securities transactions due to the non-performance of obligations by trading participants, and therefore receives the Guarantee Funds from trading participants based on the Financial Instruments and Exchange Act and other laws and regulations. The assets for all of these deposits are cash or securities in lieu of money (limited to those securities approved under Exchange rules and regulations), which are kept segregated from other assets, with the cash portion shown separately under assets or liabilities for its respective deposit purpose. The market value of securities deposited in place of cash as of December 31, 2011 was as follows:

1) Margin funds for when-issued transactions	¥16 million
2) Margin funds for derivatives	¥675,030 million
3) Deposits for clearing funds	¥168,276 million
4) Deposits as collateral for facilitating settlement	¥66,650million
5) Legal guarantee funds	¥1,119million

In addition, Tokyo Stock Exchange, Inc. bears the risk of nonperformance of obligations by trading participants, and therefore receives deposits as trading participants guarantee from trading participants based on its internal regulations. The assets for these deposits are cash or substituted securities (limited to those securities approved under internal regulations), with the cash portion recorded as cash and bank deposits under assets, and as deposits received as trading participants guarantee under liabilities. The market value of securities deposited in place of cash as of December 31, 2011 was ¥1,524 million.

Tokyo Stock Exchange, Inc. has also concluded a loss compensation contract with Japan Securities Clearing Corporation with regard to clearing operations for cash transactions, as well as futures and options transactions. Under this contract, Tokyo Stock Exchange, Inc. (including other exchanges in the case of cash transactions) reimburses Japan Securities Clearing Corporation for losses incurred from the nonperformance of obligations by clearing participants that cannot be covered by the clearing participant's deposited

(Reference Translation)

clearing funds, up to an amount stipulated in the contract. Tokyo Stock Exchange, Inc. therefore records special assets for default compensation reserve funds as an asset entry in the same amount as the limit on compensation stipulated in the contract. The amount of these special assets recorded on the consolidated balance sheets is ¥17,367 million.

clearing funds, up to an amount stipulated in the contract. Tokyo Stock Exchange, Inc. therefore records special assets for default compensation reserve funds as an asset entry in the same amount as the limit on compensation stipulated in the contract. The amount of these special assets recorded on the consolidated balance sheets is ¥17,367 million.

(Consolidated Statements of Cash Flows)

A consolidated statement of cash flows for the nine months ended December 31, 2011 was not prepared.

Depreciation (including depreciation of intangible fixed assets excluding goodwill) is as described below.

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Depreciation	¥7,907 million	¥8,630 million

(Material Changes in Shareholders' Equity)

None